

Message Text

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ORIGIN AF-04

INFO OCT-01 SS-14 ISO-00 OPIC-02 AID-10 EB-03 L-02 SP-02

NSC-07 NSCE-00 CIAE-00 INR-11 NSAE-00 RSC-01 IGA-01

/058 R

DRAFTED BY AF/E:JMWILKOWSKI:BJR:CHG

APPROVED BY AF - MR EASUM

AFR/ESA (AID) - JKNOLL

OPIC - DGREGG (SUBST)

AF/E-MR COOTE (SUBS)

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P R 171825Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY LUSAKA PRIORITY

INFO AMEMBASSY NAIROBI

C O N F I D E N T I A L STATE 181109

LIMDIS

E.O. 11652: GDS

TAGS: EFIN, ZA

SUBJECT: TAW

REF: STATE 84886

NAIROBI - FOR REDSO

1. IN COURSE OF DISCUSSIONS ON SUBJECT IN DEPARTMENT
ZAMBIAN FONMIN MWAANGA AND ASSISTANT SECRETARY EASUM DIS-
CUSSED QUESTION OF POSSIBLE USE OF \$5 MILLION AID PROGRAM
LOAN FOR GRZ PURCHASE OF SOME OF 300 GM TRUCKS IN U.S. SUCH
ACTION SEEN AS POSSIBLE WAY OUT OF DEADLOCK IN NEGOTIATIONS
BETWEEN TAW AND GRZ. EASUM OFFERED TO REVIEW QUESTION IN
CONSULTATION WITH AID AND EXIM.

2. FOLLOWING FYI ONLY: (A) PRELIMINARY AID REACTION
SYMPATHETIC BUT SUBJECT TO LEGAL REVIEW AND POSSIBLE CON-
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DITIONS. SUGGESTION SEEN AS WAY TO MAKE GOOD USE OF

EMERGENCY TRANSPORT LOAN IN ONE EASY DRAW DOWN, ALTHOUGH IT RECOGNIZED LOAN WOULD NOT COVER 62 TRUCKS AND OTHER TAW EQUIPMENT IN ZAMBIA AND WOULD PR8BABLY COVER ONLY ABOUT 150 OF TOTAL UNSOLD LOT OF GM VEHICLES IN U.S., DEPENDING ON OUTCOME OF GRZ - GENERAL MOTORS NEGOTIATIONS ON OFFER PRICE OF \$33,000 PER UNIT.

(B) OPIC ALSO INCLINED TO FAVOR USE LOAN IN THIS WAY AS START IN REDUCING TAW'S \$26 MILLION CLAIM TO MORE

MANAGEABLE PROPORTIONS AND PROVIDING FIRM WITH NEEDED LIQUIDITY TO BEGIN SATISFYING SOME OF ITS DOMESTIC CREDITORS. END FYI.

3. AFTER EXTENSIVE CONVERSATIONS OVER PAST TWO WEEKS WITH TOM WOOD AND TAW LAWYER ALAN DYNNER TAW'S POSITION ON USE OF AID LOAN BY GRZ FOR COMPARABLE, COMPETITIVE EQUIPMENT (SIMULATOR) TO THAT INTRODUCED IN ZAMBIA BY TAW REMAINS ESSENTIALLY UNCHANGED, AS STATED TO ASSISTANT SECRETARY EASUM IN REFTEL. WHILE THERE MAY BE LEGAL GROUNDS FOR QUESTIONING THIS POSITION, CONSIDERABLE TIME WOULD BE INVOLVED; MOREOVER THERE ARE COMPELLING POLITICAL REASONS FOR AVOIDING THIS ROUTE AT THIS TIME, ESPECIALLY IN LIGHT OF INQUIRY BY FONMIN MWAANGA.

4. CHANGED SITUATION SUGGESTS NEED FOR POST TO ADVISE GRZ CONTINGENCY COMMITTEE THAT: (A) WASHINGTON REVIEW UNDERWAY REGARDING POSSIBILITY AID PROGRAM LOAN BE USED TO APPLY TO ANY GRZ ORDER FOR GM TRUCKS IN US; (B) LOAN WOULD PROBABLY BE FULLY ABSORBED (ASSUMING 150 OR MORE UNITS DESIRED); THEREFORE, (C) IF ACCELERATED DELIVERY REQUIRED ON 8-PLACE DORON SIMULATOR, GRZ'S OWN RESOURCES AND NOT RPT NOT PROGRAM LOAN SHOULD BE COUNTED ON FOR FINANCING; AND (D) US SUPPLIER SO INFORMED.

5. RESULTS OF WASHINGTON REVIEW OF APPLICABILITY OF PROGRAM LOAN TO UNSHIPED GM TRUCKS IN TAW CASE WILL PROBABLY BE COMMUNICATED TO POST IN FORM OF EASUM-MWAANGA LETTER FOR HAND DELIVERY BY CHARGE. KISSINGER

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRUCKS, LOAN AGREEMENTS, BANK LOANS, FOREIGN ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 17 AUG 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: JMWILKOWSKI:BJR:CHG
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740227-0373
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740838/aaaabgtq.tel
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Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
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Reference: STATE 84886
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 30 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 AUG 2002 by WorrelSW>; APPROVED <28 FEB 2003 by CollinP0>
Review Markings:

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30 JUN 2005

Review Media Identifier:
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Review Transfer Date:
Review Withdrawn Fields: n/a
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Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005